

BAHLBURG EXPLORATION

OIL CONSERVATION DIVISION

RECEIVED

October 20, 1992

92 OCT 22 AM 9 03

Oil Conservation Division
Energy, Minerals and Nat. Resources Dept.
P.O. Box 2088
Santa Fe, New Mexico 87504

Attn: Mr. Michael Stogner

RE: Application for Approval of
Unorthodox Location
No. 1 Christmas (Re-entry)
W/2 NW/4 Sec. 7, T16S, R37E
Lea County, New Mexico

Dear Mr. Stogner:

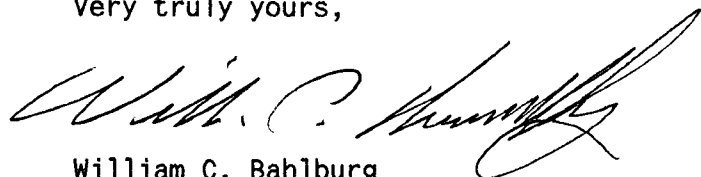
Per our telephone conversation, please find enclosed a plat showing the location of the referenced well, the proposed dedicated acreage and all offset operators of lands adjacent to the proposed unit. William C. Bahlburg, as operator, is seeking approval of a non-standard or unorthodox location to produce the No. 1 Christmas well located in the NW/4 of Section 7, T16S, R37E (Lot 1). Per our earlier correspondence with Mr. LeMay, Mr. Van Ryan and Mr. Sexton, we are seeking to establish the NW/4 NW/4 of Section 7 (51.46 Ac.) as the proration unit for the subject well under the rules for the Northeast Lovington Wolfcamp Pool.

The No. 1 Christmas well was originally drilled by Estoril Producing Co. in early 1987 as an 11,750 ft. Strawn test. At that time Estoril dedicated both lots 1 and 2 (102.82 ac.) and received approval of a non-standard location for the Northeast Lovington Penn. Pool by order R-8382. Estoril did not establish commercial oil or gas production and the No.1 Christmas was plugged and abandoned in February 1987. William C. Bahlburg began re-entry operations on the No. 1 Christmas on September 30, 1992. The wellbore has been cleaned out to a depth of 10,750 ft., cased with 5 1/2" csg. and is currently completed in the Lower Wolfcamp Formation from perforations at 10,556 ft. to 10,566 ft.

The mineral ownership of both lots 1 and 2 of Sec. 7 is identical or common and has been leased by Bahlburg Exploration. Therefore, the non-standard location should not adversely affect the mineral owners of Lots 1 and 2. We have received Waivers of Protest from all offset Operators to the proposed unit. Copies of those Waivers are enclosed for your review.

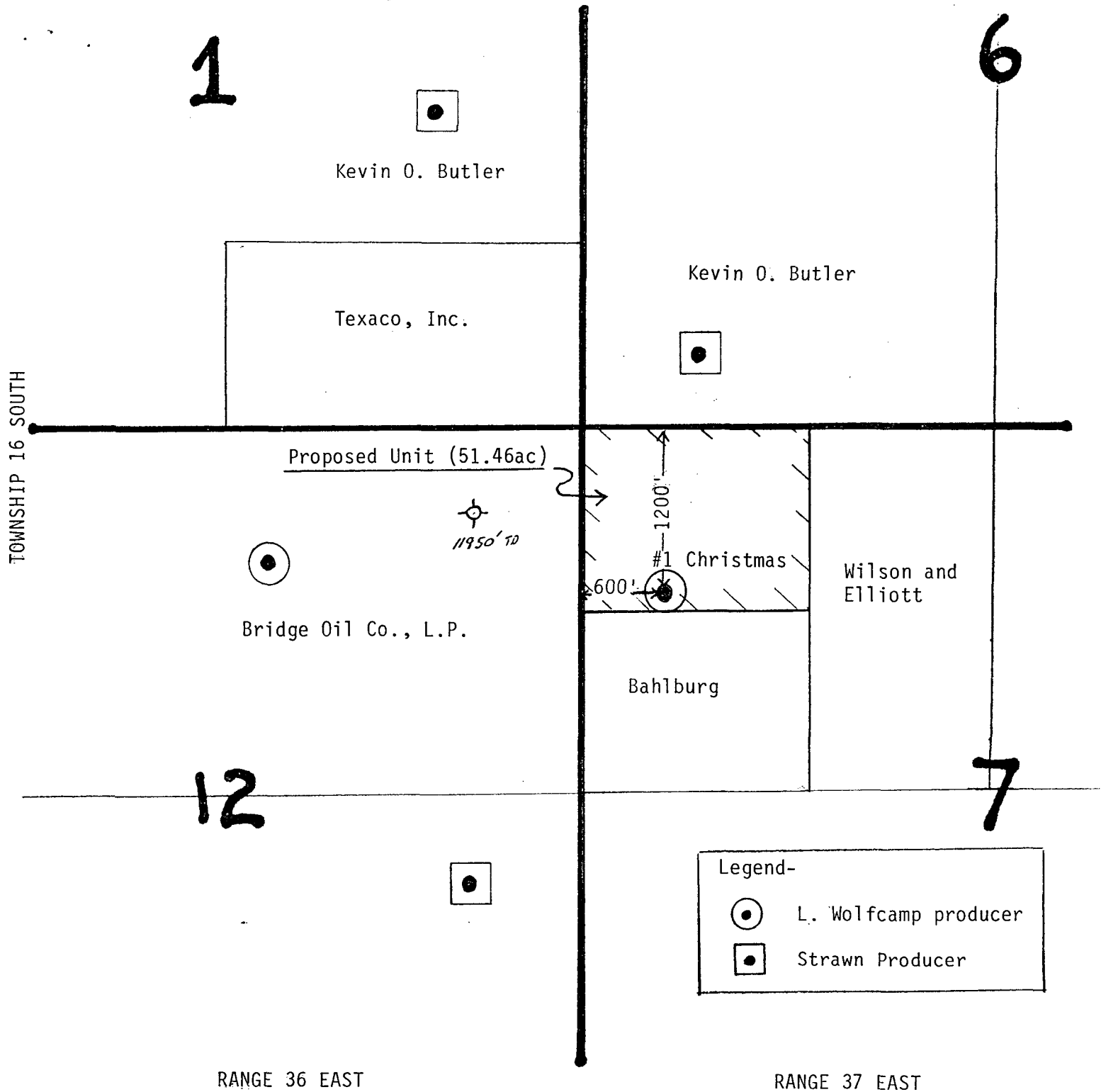
We respectfully request approval of an unorthodox location, dedication of Lot 1 (NW/4) as the proration unit under the Northeast Lovington Wolfcamp Pool and determination of an allowable for the subject well.

Very truly yours,



William C. Bahlburg

WCB/ks
Enclosures



RANGE 36 EAST

RANGE 37 EAST

WILLIAM C. BAHLBURG

NORTHEAST LOVINGTON WOLFCAMP FIELD
Lea County, New Mexico

APPLICATION FOR UNORTHODOX LOCATION

No.1 Christmas
1200 ft. FNL and 600 ft. FWL
Section 7, T-16-S, R-37-E

Scale 1" = 1000'

BAHLBURG EXPLORATION

October 7, 1992

Texaco, Inc.
P.O. Box 3109
Midland, TX 79702

Attn: Mr. Charles C. Atherton

RE: WAIVER
Unorthodox location
Christmas #1 (re-entry)
1200' FNL & 600' FWL
Section 7, T16S, R37E, N.M.P.M.
Lea County, New Mexico

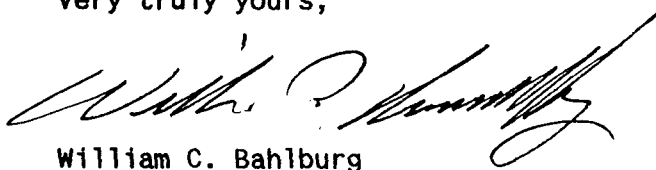
Gentlemen:

After further consideration, we have elected to space the referenced well under the established NE. Lovington Wolfcamp Field rules (40 ac. proration unit). We have been informed by the New Mexico Oil Conservation Commission that our request for approval of a non-standard well location under this field/pool designation could probably be handled administratively and would not require the time and expense of a formal hearing. Therefore, as an offset operator to the subject well we respectfully request your agreement to waive your right to object or protest to the application of William C. Bahlburg seeking approval of an unorthodox well location and dedication of 40 ac. spacing for the subject well. We apologize for any inconvenience caused by this additional request.

If you agree to waive your right to object and protest to our application seeking approval for 40 acre spacing and an unorthodox well location for the subject well, please so indicate your acceptance and approval by executing this letter in the space provided below and returning one (1) copy to the undersigned at your earliest convenience.

Thank you .

Very truly yours,



William C. Bahlburg

This Waiver ACCEPTED and AGREED to this 12th day of October, 1992.

TEXACO, INC.

By: Charles C. Atherton
Title: Area Exploration Mgr.

BAHLBURG EXPLORATION

October 7, 1992

KEVIN O. BUTLER
P.O. Box 1171
Midland, TX 79702

RE: WAIVER
Unorthodox location
Christmas #1 (re-entry)
1200' FNL & 600' FWL
Section 7, T16S, R37E, N.M.P.M.
Lea County, New Mexico

Gentlemen:

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Thank you.

Very truly yours,


William C. Bahlburg

This Waiver ACCEPTED and AGREED to this 7 day of October, 1992.

KEVIN O. BUTLER

By: 

Title: Owner

RECEIVED OCT 12 1992

BAHLBURG EXPLORATION

October 7, 1992

Bridge Oil Company, L.P.
12404 Park Central Dr., Suite 400
Dallas, TX 75251

Attn: Mr. Gray Powers

RE: WAIVER
Unorthodox location
Christmas #1 (re-entry)
1200' FNL & 600' FWL
Section 7, T16S, R37E, N.M.P.M.
Lea County, New Mexico

Gentlemen:

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Thank you .

Very truly yours,


William C. Bahlburg

This Waiver ACCEPTED and AGREED to this ____ day of October, 1992, as to
NW/4 NW/4 of Section 7-T16S-R37E, NMPM.
BRIDGE OIL COMPANY, L.P.

By: 

Title: LaRae L. Sanders, Assistant Landman

BAHLBURG EXPLORATION

October 7, 1992

Wilson & Elliott
4400 N. Big Spring, Suite 122
Midland, TX 79705

RE: WAIVER
Unorthodox location
Christmas #1 (re-entry)
1200' FNL & 600' FWL
Section 7, T16S, R37E, N.M.P.M.
Lea County, New Mexico

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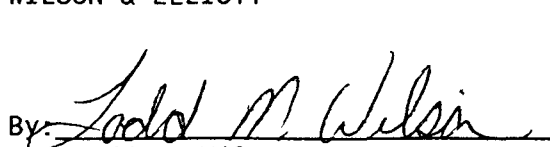
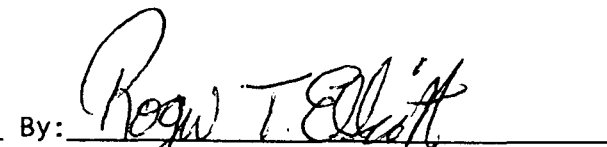
Thank you.

Very truly yours,


William C. Bahlburg

This Waiver ACCEPTED and AGREED to this 13th day of October, 1992.

WILSON & ELLIOTT

By:  Todd M. Wilson
By:  Roger T. Elliott
Title: owner Title: OWNER